WHAT IS CLAIMED IS:

1 1.　　A method of evaluating an application for a financial product, the
2 method comprising:
3 　　　　receiving application data;
4 　　　　calculating, based at least in part on said application data, expected
5 loss data; and
6 　　　　calculating, based at least in part on said expected loss data, a return
7 on investment for said application.

1 2.　　The method of claim 1, further comprising:
2 　　　　making an application approval decision based on said return on
3 investment.

1 3.　　The method of claim 2, wherein said making an application approval
2 decision further comprises:
3 　　　　comparing said return on investment with an expected return on
4 investment.

1 4.　　The method of claim 1, wherein said application data includes at least
2 one of a collateral identifier, credit related information, and payment
3 information.

1 5.　　The method of claim 1, wherein said calculating expected loss data
2 comprises:
3 　　　　executing an account level loss forecast model;
4 　　　　executing a termination event model; and
5 　　　　calculating expected loss data in response to the execution of the
6 account level loss forecast model and the execution of the termination event
7 model.

1   6.   The method of claim 5, wherein said executing an account level loss
2   forecast model further comprises:
3   calculating a future value for an item of collateral associated with said
4   application.

1   7.   The method of claim 1, wherein said calculating expected loss data
2   further comprises:
3   storing price tier data;
4   executing a risk model to compute a credit risk;
5   assigning said credit risk to a price tier based on said price tier data;
6   and
7   generating probabilities of one or more of said termination events
8   occurring before said expiration to form one or more termination scenarios.

1   8.   The method of claim 7, wherein said calculating a return on investment
2   further comprises:
3   forecasting the severity of loss of said termination scenarios to form
4   one or more loss scenarios;
5   calculating net income and annualized net investment for said loss
6   scenarios;
7   determining expected net income and expected annualized net
8   investment in response to said calculating; and
9   determining an expected return on investment based on a ratio
10 comprising said expected net income and said expected annualized net
11 investment.

1   9.   The method of claim 7, wherein said generating probabilities further
2   comprises:
3   generating probabilities of said termination events occurring in relation
4   to a plurality of said payment times.

1 10.   The method of claim 8, wherein said forecasting the severity of loss
2 further comprises:
3   forecasting the severity of loss of said termination scenarios for at least
4 a plurality of said payment times.

1 11.   The method of claim 7, wherein said financial product requires an item
2 of collateral and wherein said forecasting comprises:
3   forecasting a current balance on book;
4   forecasting a market value of said collateral; and
5   calculating a difference between said current balance on book and said
6 market value of said collateral.

1 12.   The method of claim 11, wherein said forecasting a market value is
2 performed using at least one of: Winter's multiplicative time series estimation;
3 or an exponential decay between a manufacturer suggested retail price of
4 said collateral and a residual value of said collateral at the expiration.

1 13.   The method of claim 7, wherein said financial product is a lease.

1 14.   The method of claim 13, wherein said termination events comprise at
2 least one of: repossession with delinquencies, early payoff, insurance loss,
3 and repossession without delinquencies.

1 15.   The method of claim 7, wherein said financial product is a loan.

1 16.   The method of claim 15, wherein said termination events comprise at
2 least one of: repossession, non-collateralized loss and early payoff.

1 17.   A computer-readable medium bearing a computer program containing
2 instruction steps such that upon installation of said computer.program in a
3 general purpose computer, the computer is capable of performing the method
4 of claim 1.

1   18.   A method of evaluating an application for a financial product for which

2   at least one price tier has been established, the method comprising:

3   receiving application data;

4   executing a risk model to compute a credit risk for said application

5   data;

6   assigning said credit risk to a price tier; generating probabilities of one

7   or more termination events occurring before an expiration of said financial

8   product to form one or more termination scenarios;

9   forecasting the severity of loss of said termination scenarios;

10   calculating, based at least in part on said severity of loss of said

11   termination scenarios, a return on investment (ROI) for said application; and

12   approving said application if said calculated ROI is within an expected

13   ROI threshold.

1   19.   An apparatus for evaluating an application for a financial product, the

2   apparatus comprising:

3   a processor;

4   a communication device, coupled to said processor, receiving

5   application data from at least a first user device; and

6   a storage device in communication with said processor and storing

7   instructions adapted to be executed by said processor to:

8   calculate, based at least in part on said application data, expected loss

9   data; and

10   calculate, based at least in part on said expected loss data, a return on

11   investment (ROI) for said application.

1   20. The apparatus of claim 18, said storage device further storing instructions

2   adapted to be executed by said processor to:

3   make an application approval decision based on said calculated ROI.

1   21.   A system for evaluating an application for a financial product for which

2   at least one price tier has been established, the system comprising:

3   at least a first user device having

4   a processor;

5   a communication device, coupled to said processor, configured

6   to send and receive data over a network; and

7   a storage device in communication with said processor and

8   storing instructions adapted to be executed by said processor to

9   receive application data; and

10   forward said application data to an at least first lender device said at

11   least first lender device having

12   a second processor,

13   a second communication device, coupled to said second

14   processor, configured to send and receive data over said network and

15   to receive said application data; and

16   a second storage device in communication with said second

17   processor and storing instructions adapted to be executed by said

18   second processor to

19   execute a risk model to compute a credit risk for said

20   application data;

21   assign said credit risk to a price tier;

22   generate probabilities of one or more termination events

23   occurring before an expiration of said financial product to form

24   one or more termination scenarios;

25   forecast the severity of loss of said termination scenarios;

26   calculate, based at least in part on said severity of loss of said

27   termination scenarios, a return on investment (ROI) for said

28   application; and

29   approve said application if said calculated ROI is within an

30   expected ROI threshold.

1   22.   A computer program product in a computer readable medium for

2   evaluating an application for a financial product, comprising:

3   first instructions for receiving application data;

4   second instructions for calculating, based at least in part on said

5   application data, expected loss data;

6   third instructions for calculating, based at least in part on said expected

7   loss data, a return on investment (ROI) for said application; and

8   fourth instructions for approving said application if said calculated ROI is

9   within an expected ROI range for said financial product.

2   23.   A system for evaluating an application for a financial product, the system

3   comprising:

4   means for receiving application data;

5   means for calculating, based at least in part on said application data,

6   expected loss data; and

7   means for calculating, based at least in part on said expected loss data, a

8   return on investment for said application.

1   24.   The system of claim 23, further comprising means for comparing said

2   return on investment with an expected return on investment; and means for

3   making an application approval decision based on said return on investment.